



PRESS RELEASE

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REMARKS BY U.S. AMBASSADOR HANS KLEMM AT THE “DECODING THE DNA OF THE FUTURE” DEBATE

May 17, 2016

Doctor Paun, Mr. Geanta, Mr. Gabor, Ladies and Gentlemen,

Thank you for providing me the opportunity to be here today to speak a little bit about the role of the biotechnology sector, the role it plays in the United States, the U.S. economy. I would also like to mirror some of the comments that Mr. Gabor had regarding the potential for biotechnology in Romania and then just close on a note of encouragement for Romania to undertake the necessary reforms to encourage investment in this sector.

I would like to say that it's always inspiring to be here in the Palace of the Parliament. A recent visit here was somewhat controversial, and I hope my stay here this morning will not prove to be equally controversial and rather hopeful.

Biotechnology in the United States is an industry that showcases the global leadership that the United States has been able to play in sectors that depend on innovation and technology. The biotechnology industry in the United States produces, as Gabor mentioned, innovative medicine that bring relief and cures literally to millions of people around the world. Some of our largest pharmaceutical companies such as Amgen, operate very large not only production facilities, but also substantial research centers. And based on that investment they are able to bring these remarkable medicines to patients around the world.

Our foundation of innovation and its success is due in large part to the collaboration environment that exists in the United States across industry, across academia and universities, as well as across government, enabling all three of these partner to work together to create an environment for innovation, adaptation of technology and adaptation of biotechnology.

In the United States, the private sector is the largest sponsor of research and development, leading to discoveries, resulting in new products and services and increased productivity.

Government – both federal and state government -- provides significant support for research and development activities, through spending and tax benefits, to both supplement and encourage private sector efforts and give businesses an incentive to increase research and development spending.

The biotechnology sector is one of the most research and development-intensive sector in the United States, with companies investing on average six times more in research and development as a percentage of sales in comparison to other sectors in the United States.

As a result of its success, more than 800,000 people work in the biopharmaceutical industry in the United States, and more broadly the industry supports nearly 3.4 million jobs across the United States economy.

The potential of emerging technologies and cutting-edge industries is not true only in the United States, but also in Romania, especially as a means of harvesting the power of Romanian ingenuity, its younger generation and the skills of its workforce.

And as Mr. Gabor discussed, that potential has already been shown to be effective in the information technology sector in Romania. I agree with Gabor that this potential can also be seen in the pharmaceutical and biotech sector, if Romania creates the environment to attract more foreign investment in research and development here.

One of my priorities as Ambassador is to promote prosperity between our two countries, the United States and Romania through increased flow of goods and services, but also through increased investment, both by American companies in Romania, but then also, I think there is potential for increased investment in the United States by Romanian companies.

After my arrival here as Ambassador last year, President Iohannis, Prime Minister Ciolos, virtually the entire leadership of Romania has encouraged me to place more emphasis on, put more energy in, put greater focus on the efforts of my Embassy and mine to encourage greater investment by American companies in Romania.

I fully support that goal. I think for both economic and commercial reasons, it's valuable to have greater American investment in Romania and also for strategic reasons, this deeper stake in Romania expressed through American investment will strengthen the bonds that exist between our two countries and within our Strategic Partnership.

But as Ambassador I have actually zero direct influence over an American company, whether it be a Fortune 500 company or otherwise, to make the decision to invest in Romania. Those decisions are made by the shareholders of those companies and those shareholders will make their decisions based on what business climate exists in Romania or in a competing country and how friendly the environment, as well as how generous the incentives exist for investment.

To encourage American investment, to encourage investment from any country, in fact to encourage investment of its own citizens, Romania must have in place a policy regime, economic regime, tax regime that incentivizes investment, but also must be a predictable and stable economic administration. Its Government must be responsive to stakeholders, including companies and potential investors as it is deciding on changes to either policy or taxes or regulations. It must fully and genuinely consult with stakeholders and I think as Gabor discussed, we must consider the proper incentives to encourage investment in Romania. And this probably goes beyond simple tax and regulatory incentives, but also to encourage an environment in which the collaboration between the private sector, between government and the academic sector is allowed to strengthen much as it has in the United States. One element to this enabling environment that might be interesting to discuss – I don't think Mr. Gabor mentioned it – but that is around the protection of intellectual property and how intellectual property is allowed to be transferred from the public sector or the university sector to the private sector to encourage further research and development and the development of innovative products, including in the biotechnology sector.

So with that encouragement to create an investment climate and a business environment in Romania that encourages collaboration with American companies in general and investment in biotechnology in the pharmaceutical sector, I wish again to thank you for your patience this morning as well as your attention. Thank you!